

VZCZCXRO4312  
OO RUEHDBU  
DE RUEHMO #1287/01 0821947  
ZNY CCCCC ZZH  
O 231947Z MAR 07  
FM AMEMBASSY MOSCOW  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8563  
INFO RUCNCIS/CIS COLLECTIVE PRIORITY  
RUEHDX/MOSCOW POLITICAL COLLECTIVE PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 MOSCOW 001287

SIPDIS

SIPDIS

E.O. 12958: DECL: 03/23/2017  
TAGS: [PREL](#) [PGOV](#) [ECON](#) [ETRD](#) [ENRG](#) [CH](#) [RS](#)  
SUBJECT: RUSSIA-CHINA RELATIONS -- PART 1

Classified By: Deputy Chief of Mission Daniel A. Russell. Reasons 1,4  
(B/D).

-----  
Summary  
-----

¶1. (C) President Hu's upcoming visit to Russia March 26-29 will showcase a thriving bilateral relationship, with the launching of the much-hyped "Year of China" in Russia, a publicity stop at Kazan, and the decision to open another Russian consulate in Guangzhou. Moscow's China experts differ in how they see the relationship, but many agree that the positive Russian-Chinese dynamic will continue for the foreseeable future. For the moment, Russia seems content to focus on the immediate political and economic benefits of a much improved relationship with its giant neighbor. Today's flourishing ties notwithstanding, China's growing influence and its potential as a rival will obviously pose challenges as well as present opportunities. End summary.

-----  
Bilateral Harmony  
-----

¶2. (C) In a recent overview of Russian-Chinese relations, Konstantin Vnukov, Director of the MFA's First Asia Department, emphasized the strengthening of ties in every area. According to Vnukov, Russia aspired to the Chinese model: rapid economic development accompanied by social stability via Russia's "national projects." The MFA China Desk's Aleksandr Shchmanevskiy echoed Vnukov, and gave credit to the two countries' leaders for the positive dynamic. The two presidents met six times last year and were likely to exceed that total this year. The Russian Consulate in Guangzhou, the fourth after Shanghai, Shenyang and Hong Kong, will be opened soon.

¶3. (C) Russian officials lauded the rapid growth in trade and investments. Although the volume of bilateral trade in 2006 was USD 30 billion, a fraction of the U.S.-China turnover, officials here were confident that it would total USD 60-80 billion by 2010. Gui Congyu of the Chinese Embassy expressed the same sentiment: never in the history of Russia-China relations had things been this good on all fronts.

¶4. (C) A critical political bond in Russia-PRC relations, experts told us, was both countries' insistence on "non-interference in internal affairs." China's "peace course," which preached good relationships with everyone drew special praise; even the relationship with Japan had improved since Abe had assumed office. Dmitriy Babich, a journalist for Russian Profile magazine, singled out the appeal of China's "preventive" diplomacy, which avoided direct and abusive criticism, tactics that many Russians associated with Western diplomacy; Russia was attracted to China because "they do not criticize us."

-----  
Shanghai Cooperation Organization (SCO)  
-----

15. (C) Both the MFA's SCO coordinator and the Chinese Embassy told us that the SCO would be on the agenda for the two presidents when they meet next week. Neither was forthcoming on initiatives to be discussed. According to Gennadiy Chufrin, Deputy Director of the Institute of World Economy and International Relations (IMEMO), the GOR will try to steer the SCO toward boosting economic development while the Chinese side will push for more military and security cooperation. Aleksandr Lukin, Director of the Center for East Asian and SCO Studies at the Moscow State Institute of International Relations (MGIMO), believed that there was a constant push and pull between the "go-fast" Chinese and the "go-slow" Russians. Some analysts here believed that in time the SCO could develop into a "NATO 2" given China's political ambitions and economic power, but its military exercises to date have been largely symbolic.

16. (C) Analysts agreed that it would be overly simplistic to identify anti-Americanism as the binding force behind the SCO. Indeed, Leonid Moiseyev, the MFA's new SCO coordinator, told us that the SCO's objective was not to counterbalance the U.S. MFA Diplomatic Academy Director Bazhanov disagreed, citing Uzbekistan's resumption of membership in 2001, and Iran's courtship of the SCO as evidence that the SCO was seen as a counterbalance to the U.S. Bazhanov claimed that the SCO had initially focused on economics, but the U.S.'s "misguided" policies, including its efforts to establish military bases in Central Asia, politicized the organization.

MOSCOW 00001287 002 OF 003

-----  
China's Attraction As A Partner  
-----

17. (C) Most Moscow scholars tended to see Russia's continuing rapid engagement with China as a tool for survival. Chufrin said flatly that China was Russia's most important partner, if only because Russia could not afford a bad relationship with such a (physically and economically) powerful neighbor. The anti-U.S. sentiment that seemingly bound the two countries, he added, was the by-product of "bad" U.S. policies rather than something intrinsic in bilateral ties. Bazhanov shared Chufrin's view. He said that the Russia-China bilateral relationship had progressed rapidly because of:

-- internal developments in Russia and in China where both countries faced the task of reform;

-- mutual economic interests, where Russia needed an alternative outlet for energy and arms;

-- shared opposition to unipolarity; and a

-- common agenda on many international issues including counter-terrorism, North Korea, the Middle East and NATO enlargement.

18. (C) Aleksey Bogaturov of MGIMO viewed engagement with China as part of Putin's strategic diversification paradigm. Bogaturov opposed the ever-present Russian "zero sum" approach: engaging with China did not have to go hand-in-hand with rejecting the West. Russia's optimal course should be the pragmatic one. Others were more cynical about Russia's motives, with Director of the Institute of National Strategy Stanislav Belkovskiy scoffing at the GOR's new "love affair" with China, describing it as an attempt to get leverage with the West.

19. (C) Aleksey Voskressenkiy of MGIMO maintained that the

bitter experience of the nineties, widely perceived here as a period of turmoil and national humiliation, left many Russians with the feeling that the U.S. was "egoistic" and interested in keeping Russia weak. China's path was the road not taken by Russia. Journalist Babich agreed that fifteen years of humiliation had caused the pendulum to swing to China, the natural, fallback ally.

¶10. (C) Relations with China have also taken on a new light given Russia's growing difficulties with the West. The March 7 edition of the national daily Izvestiya, in fact, ran a piece entitled "Via Munich to the East," which contrasted the West, politically unified and constantly critical of Russia, with the East, politically diverse and uncritical of Russia. The author suggested the Russia-China-India triangle could become more viable than Russia's checkered relationship with the West. A group of scholars at the Institute of Far Eastern Studies, including Director Mikhail Titorenko and Deputy Director Vladimir Portyakov, believe China provided an alternative to the "unreliable" and "unilateral" U.S., and they saw in the expansion of the Shanghai Cooperation Organization (SCO) a potential counter to the U.S.

-----  
Contrary Views  
-----

¶11. (C) Not every analyst was so positive about Russia's dealings with China. Aleksandr Khranchikhin of the Political and Military Analysis Institute believed that China had been establishing its own sphere of influence for some time. Vilya Gelbras of Moscow State University (MGU), an outspoken critic of the GOR's China policy, maintained that Russia lacked a clear strategy. He suggested that instead of expanding the scale of the relationship without a clear vision, the GOR should put the Russian Far East in order with a robust development plan. Gelbras also advised Russian authorities to study the reasons for China's economic prosperity, and identify what factors prevented Russia from achieving the same. Many resident China hands blamed the GOR for most of the bilateral irritants, describing them as a product of Russia's internal problems, having little to do with China.

-----  
Comment  
-----

¶12. (C) Powerful economic interests and China's attractiveness as a partner that shares many of Russia's political predilections are widely seen as driving forces in the improved Sino-Russian relationship. At the same time,

MOSCOW 00001287 003 OF 003

among the expert community here, there is an emerging sense (finally) that China has arrived and outstripped Russia in doing so. China's economic rise will obviously have strategic political and military consequences for Russia, but they have not yet become a major concern for Moscow's policy makers and China watchers. Septel will look at the irritants in Russian-Chinese relations.

BURNS